to funds in Europe, may for all practical purposes be immune from taxes and fines, and would continue indiscriminately to spend large sums of money for travel.

Extracting from the average American traveler a tax in the amount that this ASTA survey indicates and requiring that such a tax be deposited with a Customs official prior to departure from the Western Hemisphere places an economic barrier between our citizens and their right of freedom to travel. The imposition of a price tag on such basic liberties is unprecedented in the history of our country.

4. *The sharp curtailment of travel which would result would be self-defeating and would adversely affect the economies of this country and many of our friendly allies.*

I believe that it is not possible for the United States to embark on a program of restriction such as that embodied in the proposed travel and transportation tax program without provoking retaliatory measures on the part of other governments—which will result in a balance of payments condition far worse than we have today.

The free, unrestricted and untaxed movement of U.S. citizens in international travel undoubtedly has been the single, most effective contributor to increased international understanding with corollary benefits in accelerating the desire for our merchandise, stimulating our productive output and benefitting our economy. Much of the demand abroad for American products is directly atttributable to their use and display by our tourists.

Exchange of ideas and understanding is the most important force in the economic, as well as the political, sphere, and international travel is a most effective agent.

Our government and citizens have participated in an increasing number of cultural exchanges involving travel by individuals. We believe that this has contributed substantially to a better understanding of our country by peoples everywhere.

The program proposed by the Secretary of the Treasury clearly would halt this advance.

Similiarly, cultural advantages would suffer. Illustrative are two pertinent examples: (1) a trip by the New York Philharmonic Orchestra, with State Department approval and a grant from a major airline, would be burdened by an additional cost estimated at $25,000; and (2) the Cincinnati Philharmonic Orchestra going abroad at its own expense reportedly will be required to cancel its tour if the tax is imposed.

Indications are that adoption of the Treasury Department's proposed travel and transportation tax program will prove an even greater deterrent than estimated by its proponents. It will substantially decrease and may even halt the travel of responsible business and professional people, educators and students, who have contributed so much to our common objective.

We must anticipate that travel to the United States from the areas discriminated against will diminish in response to our own travel restrictions.

The sought-for reduction of $500 million in expenditures of U.S. travelers outside this hemisphere probably will be very readily offset by the negative effect of these curtailments.

It is our opinion—and that of the more than 7,500 travel and tourism experts who constitute ASTA—that the proposed travel and transportation tax is frought with hazards and may very well carry within it the seeds of even greater danger to our economy for the responses from other countries may tend to have a snowballing effect.

We assume that this Committee will want to examine carefully the underlying calculations of the proposal, including an explanation of whether, and to what extent, provision might have been made in the estimates for possible losses in other balance of payments items as a result of this obviously crash program.

Everyone in the business of travel and tourism has been aware of the importance of seeking to balance the effect of tourism to overseas destinations by an increase in tourism to the United States. ASTA, international carriers and other components of the travel industry have initiated promotional programs in a constructive effort to rectify the situation.

The Secretary of the Treasury, in his statement, concentrated on Western Europe and the Mediterranean area. We have experienced a significant growth in our deficit from the predominance of traved by U.S. citizens to Canada, Mexico,